

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7394**

**BILL NUMBER:** HB 1497

**NOTE PREPARED:** Mar 18, 2013

**BILL AMENDED:** Mar 18, 2013

**SUBJECT:** Regional Water, Sewage, and Solid Waste Districts.

**FIRST AUTHOR:** Rep. Zent

**FIRST SPONSOR:** Sen. Leising

**BILL STATUS:** CR Adopted - 2<sup>nd</sup> House

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) This bill has the following provisions.

*Connecting to Sewer Systems:* This bill amends the requirements that a property owner must meet to discontinue use of a sewage disposal system and connect to a sewer system operated by a not-for-profit sewer utility or a regional sewage district.

*Notice Requirements:* The bill amends the type of notice that must be provided to property owners that would be served by a proposed regional water, sewage, or solid waste district before the district is established. It provides that notice requirements for certain construction permit applications apply to sewer and water system construction. (Current law exempts sewer and water system construction permit applications from the notice requirements.)

*Establishment and Expansion of Districts:* The bill provides that a proposed regional water, sewage, or solid waste district may not be established if a majority of property owners that would be served by the district submit a petition to the Department of Environmental Management that indicates the owners are opposed to the establishment of the district. It provides that an existing regional sewage or solid waste district may not add territory to the district if a majority of the freeholders within the proposed territory to be added submit a petition to the department that indicates the freeholders are opposed to the addition of the territory by the district.

*Board of Trustees:* The bill allows a ratepayer of a regional water, sewage, or solid waste district to serve on the board of trustees for the district.

*Penalties:* The bill makes it a Class C misdemeanor instead of a Class C infraction for a person to provide false information to a health officer. It makes it false informing, a Class B misdemeanor, for a person to give a false report related to sewage disposal systems and sewer connections knowing the information to be false.

**Effective Date:** July 1, 2013.

**Explanation of State Expenditures:**

**Explanation of State Revenues:** *Penalties:* There are no data available to indicate how many people are judged to have provided false information to a health officer, a Class C infraction, who instead would be convicted of a Class C misdemeanor under the bill. Nor are there data available to indicate how many more offenders may be convicted of false informing, a Class B misdemeanor, if filing a false report related to sewage disposal systems and sewer connections is added to the elements of the crime.

By enhancing the penalty for providing false information to a health officer, the bill potentially increases revenue to the Common School Fund, but could reduce revenue that is deposited in the state General Fund. This is because fines from misdemeanors are deposited in the Common School Fund, while infraction judgments are deposited in the state General Fund.

Currently, the maximum judgment for a Class C infraction is \$500, which is deposited into the state General Fund, while the maximum fine for a Class C misdemeanor is \$500, which is deposited into the Common School Fund. The maximum fine for a Class B misdemeanor is \$1,000, which also is deposited into the Common School Fund.

If the case is filed in a circuit or superior court, 70% of the \$120 court fee that is assessed and collected when a guilty verdict is entered would be deposited in the state General Fund. If the case is filed in a city or town court, 55% of the fee would be deposited in the state General Fund. In addition, some or all of the automated record keeping fee (\$5), judicial salaries fee (\$20), public defense administration fee (\$5), court administration fee (\$5), judicial insurance adjustment fee (\$1), and the DNA sample processing fee (\$2) are deposited into the state General Fund.

**Explanation of Local Expenditures:** (Revised) *Notification to Extend Service:* This bill provides that local health departments shall provide notice to all owners of property that will be served by a proposed extension of service. Notification will be provided through newspaper publication and U.S. Mail. Any impact will depend upon local circumstances.

*Penalties:* Local expenditures could increase if offenders are incarcerated in local jails instead of being only fined. A Class B misdemeanor is punishable by up to 180 days in jail and a Class C misdemeanor is punishable by up to 60 days in jail. The average daily cost of housing an offender in jail is reported to be \$44. There is no term of imprisonment for an infraction.

**Explanation of Local Revenues:** *Penalties:* Local governments could receive additional revenues from any court fees that are collected for cases that were infractions and are now misdemeanors. Twenty-seven percent of criminal costs fees that are collected are deposited in the county general fund when a guilty verdict is entered for a misdemeanor. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. From city and town courts, the county general fund receives 20% of the criminal costs fee while the city or town general fund receives 25%. Persons

found guilty of a felony or misdemeanor are also required to pay the document storage fee (\$2), which is deposited into the clerk record perpetuation fund, and the jury fee (\$2) and the law enforcement continuing education fee (\$4), which are both deposited in the county user fee fund.

**State Agencies Affected:** Department of Correction; Indiana Department of Environmental Management.

**Local Agencies Affected:** Counties; regional sewer, water and solid waste districts, trial courts; local law enforcement agencies; local health departments.

**Information Sources:** Indiana Sheriffs' Association.

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